

STATEMENT OF OBJECTION
(FOR CLASS MEMBERS WHO DO NOT OPT OUT)

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
DANIEL PATRICK MOYNIHAN
UNITED STATES COURTHOUSE
500 PEARL STREET
NEW YORK, NY 10007-1312

-----X
In re Luckin Coffee Inc. : Case No. 1:20-cv-01293-JPC-JLC (S.D.N.Y.)
SECURITIES LITIGATION :
-----X

Statement of Objections

I am a Class Member in the case called *In re Luckin Coffee Inc. Securities Litigation*. I am a class member because I purchased 1,000 Luckin Coffee American Depositary Shares (ADS) during the Class Period via being assigned Put options contracts.

I object to the proposed settlement in this lawsuit as currently written for the proposed calculation to determine the Recognized Loss Amount grossly understates the Recognized Loss Amount when ADSs were acquired through the assignment/exercise of contractually binding Put option contracts at a previously agreed to ADS price.

The Recognized Loss Amount is grossly understated because the purchase price used in the calculation is the closing market price of the Luckin ADSs on the date of exercise (rather than the purchase price as obligated by the options contract). *See* below excerpt for reference):

APPENDIX A - Proposed Plan of Allocation of Net Settlement Fund Among Authorized Claimants
Page 15 (item 17) of instructions for claim form regarding Derivatives and Options states:

"17. Derivatives and Options: The only security eligible to participate in the Settlement are Luckin ADSs. Option contracts or any other derivative securities are not securities eligible to participate in the Settlement.

With respect to Luckin ADSs purchased or sold through the exercise of an option, the purchase/sale date of the Luckin ADS is the exercise date of the option and the purchase/sale price is the closing market price of the Luckin ADSs on the date of exercise."

This treatment of ADSs acquired through assignment of Put options will not result in an equitable Recognized Loss Amount for the undersigned.

The Recognized Loss Amount calculated as prescribed in the Notice of Proposed Settlement grossly understates the damages suffered by the undersigned. Furthermore, it ignores the actual purchase price incurred by the undersigned. The equitable Recognized Loss Amount for the undersigned should be **\$28,180.00** rather than the \$2,480.00 as calculated using the lesser Artificial Inflation amounts reflected in Table A of Appendix A in the Proposed Settlement (detailed calculations illustrated/compared immediately below):

	Accurate Equitable Amount	Lesser Table A Amount
Purchase Price	\$30,870*	\$ 3,810
Sale Price	\$ 2,690	\$ 1,330
	-----	-----
Recognized Loss Amount	\$28,180	\$ 2,480

* - \$38,000 gross purchase price less \$7,130 amount received to undertake options contract obligation = \$30,870 actual/equitable net purchase price

I undertook the contractual obligation on 2/5/2020 to purchase ADSs in Luckin Coffee for \$38.00 per ADS based on the financial reporting provided by Luckin Coffee at that time. The current Proposed Settlement does not provide for an equitable/accurate net purchase price amount when purchase of ADSs occurs due to the assignment of Put Options contracts. I hereby respectfully request the Court make an adjustment to arrive at a Recognized Loss Amount of \$28,180.00 USD on equitable grounds as detailed above.

I have enclosed statements from Schwab representing (1) the Put Contract transaction amount of \$7,130.00 received by me on 2/5/2020 for obligation to purchase 1,000 ADSs at \$38.00 per ADS, (2) the actual purchase of 1,000 ADSs for \$38,000.00 on 4/17/2020 at contractual price of \$38.00 per ADS, and (3) the sale of those 1,000 ADSs for \$2,690.10 on 5/20/2020 at price of \$2.6901 per ADS.

For ease of reference, my personal information is:

Name: ROBERT C. RACH
Address: 10960 E. SERAFINA AVE., MESA, AZ 85212-5251
Phone No.: 480-329-4097
E-Mail: robra@cox.net

Dated: 4/24/2022
Signed: 
Printed name: ROBERT C. RACH
Address: 10960 E. SERAFINA AVE.
MESA, AZ 85212-5251

Encls

Cc: Bernstein Litowitz Berger & Grossmann LLP
- Salvatore J. Graziano, Esq.
Kessler Topaz Meltzer & Check, LLP
- Sharan Nirmul, Esq.
Davis Polk & Wardwell LLP
- Lawrence Portnoy, Esq.

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Electronic Trade Confirmation

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Symbol: LK
Security Description: LUCKIN COFFEE INC 00500 04/17/2020 \$38 Put
Action: SOLD
Security No./CUSIP: 000062631520
04/17/2020 **Type:** Cash
38.00 P **Trade Date:** 02/05/20
Settle Date: 02/06/20

Quantity	Price	Principal	Charges and/or Interest	Total Amount
10	\$7.13	\$7,130.00	Commission: \$4.00 Exch Process Fee: \$0.32	\$7,125.68
Totals				
10		\$7,130.00	\$4.32	\$7,125.68

Additional information for this security:

- The cost basis method requested was FIFO. Please view the Cost Basis Disclosure Statement for additional information on cost basis method choices and how Schwab reports adjusted cost basis information to the IRS.
- We will hold this new option position short in your account (sold to open).
- Exch Process Fee: This fee offsets costs incurred by Schwab for the exchange of securities - including those relating to assessments on broker-dealers by an exchange or other SRO - for equity, option, or other covered security sell transactions and option security buy transactions.
- Schwab acted as your agent.

Options can carry a high level of risk and are not suitable for all investors. The OCC (formerly the Options Clearing Corporation) makes occasional changes to

the **Characteristics and Risks of Standardized Options** document by issuing supplements that typically discuss new types of options that have been introduced into the market place. Please stay current with the latest version of this document by going to the OCC's web site [here](#).

If you have questions about this report, please contact Schwab at **800-435-4000**.

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April 21, 2020 | your account ending: 347

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Symbol:	Security Description: LUCKIN COFFEE INC ADR
LK	Action: BOUGHT
	Security No./CUSIP: 54951L-10-9
	Type: Cash
	Trade Date: 04/17/20
	Settle Date: 04/21/20

Quantity	Price	Principal	Charges and/or Interest	Total Amount
1,000	\$38.00	\$38,000.00	N/A	\$38,000.00

Additional information for this security:
- ASSIGNED 10 LK 04/17/2020 38.00 P
- Schwab acted as your agent.

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Symbol: HON
05/29/2020
135.00 P

Security Description: Honeywell Intl Inc 05/29/2020 \$135 Put
Action: BOUGHT
Security No./CUSIP: 000064322921
Type: Margin
Trade Date: 05/20/20
Settle Date: 05/21/20

Quantity	Price	Principal	Charges and/or Interest	Total Amount
10	\$2.90	\$2,900.00	Commission: \$4.00 Exch Process Fee: \$0.17	\$2,904.17
Totals				
10		\$2,900.00	\$4.17	\$2,904.17

Additional information for this security:

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Symbol: LK
Security Description: LUCKIN COFFEE INC ADR
Action: SOLD
Security No./CUSIP: 54951L-10-9
Type: Cash
Trade Date: 05/20/20

Settle Date: 05/22/20

Quantity	Price	Principal	Charges and/or Interest	Total Amount
1,000	\$2.6901	\$2,690.10	Exch Process Fee: \$0.06	\$2,690.04

Additional information for this security:

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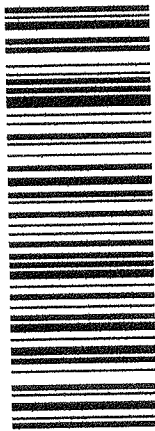
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